

# MANUFACTURING EXTENSION PARTNERSHIP

## Success Stories from the Field

### Precision Cut Industries

#### MANTEC

#### Precision Cut Industries, Inc. Improves On-Time Delivery with Pull/Kanban System

##### Client Profile:

Precision Cut Industries, Inc. (PCI), located in Hanover, Pennsylvania, is a full service contract manufacturer in the metal industry, with a core competency in laser cutting. PCI employs 70 people.

##### Situation:

PCI decided to apply a company-wide implementation of Lean principles to ensure sustained growth through improved efficiencies and the elimination of waste. In 2008, PCI underwent Lean Certification training. As a result of the Lean training, the company studied Pull/Kanban systems and quickly identified an opportunity to implement a visual system to aid in their inventory levels, smooth flow, and improve lead times. PCI utilized external consultants through MANTEC, a NIST MEP network affiliate, to develop a visual pull system, with a focus on smoothing flow throughout the factory.

##### Solution:

MANTEC consultants provided expertise on leveling loads to deal with variable customer demand, as well as sizing and location of internal supermarkets and types of pull signals. They also conducted a review of the current planning and scheduling systems to assess finished goods policies, flow issues that drive inventory levels, and current value stream. Finally, they executed the model in the PCI facilities and linked to its new business system, Global Shop Solutions. The visual pull system controls the release and flow of work in the shop. As a result of MANTEC's assistance, PCI has reduced inventory and lead times, while increasing on-time delivery to customers. In addition, the visual pull system has enabled PCI to manage ever changing customer needs in a challenging economy. Visual scheduling boards in the programming, production and shipping/receiving areas have made managing work flow a more transparent process. In addition, visual levels on the shelves have triggered the system to produce components as needed.

##### Results:

- \* Improved on-time deliver by 5 percent.
- \* Reduced inventory by 19 percent.

##### Testimonial:

"When Precision Cut Industries began LEAN certification, we knew we were beginning a journey to improve efficiencies. We are utilizing industry experts through MANTEC to help us develop the Pull/Kanban system, giving us visual cues to manage our inventory levels. We continue to work on our LEAN initiatives to achieve greater success.

Brian Greenplate, President

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